

D.P.U. 93-91D

Application of Commonwealth Electric Company, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00 ~~et~~ seq., for approval by the Department of Public Utilities of the Company's proposed surcharge for the Residential Energy Conservation Service Program for fiscal year 1994 (July 1, 1993 - June 30, 1994). Commonwealth Electric Company is a member utility of Mass-Save, Inc., which provides services on its behalf.

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-and-

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FOR: COMMONWEALTH ELECTRIC COMPANY
Petitioner

I. INTRODUCTION

On May 13, 1993, pursuant to G.L. c. 164 App., §§ 2-1 through 2-10 and 220 C.M.R. §§ 7.00et seq., Commonwealth Electric Company ("Commonwealth" or "Company") filed with the Department of Public Utilities ("Department") a petition for approval by the Department of the Company's proposed surcharge of \$0.22 per monthly bill for the residential energy conservation services ("ECS") program for the fiscal year July 1, 1993 through June 30, 1994 ("FY 1994")¹. Commonwealth is a member utility of Mass-Save, Inc. ("MSI"), which provides ECS to the Company's customers on behalf of Commonwealth. The petition was docketed as D.P.U. 93-91D.

Pursuant to notice duly issued, a hearing was held at the offices of the Department on June 8, 1993. No petitions for leave to intervene were filed. In support of its petition, the Company sponsored the testimony of one witness: Anthony J. Casella, manager, rate administration, at COM/Energy Services Company.² The Company submitted four exhibits and the Department submitted four exhibits, all of which were admitted into evidence.

¹ On June 4, 1993, the Company filed a revised ECS surcharge calculation. However, the proposed surcharge of \$0.22 per bill per month remained unchanged.

² COM/Energy Services Company provides management services to Commonwealth, including the development and filing of the Company's annual ECS surcharge proposal.

II. ECS SURCHARGE

For FY 1994, the Company proposed an ECS surcharge of \$0.22 per bill per month (Exh. C-2, "ECS Calculation" at 1). The proposed ECS surcharge is \$0.09 per bill less than the ECS surcharge of \$0.31 per bill per month approved by the Department in Commonwealth Electric Light Company D.P.U. 92-114-B (1992) for the fiscal year July 1, 1992 through June 30, 1993 (Exh. C-1, at 3).

The Company's witness, Mr. Casella, testified that the Company's share of MSI's proposed FY 1994 ECS program budget, approved by the Department in Mass-Save, Inc., D.P.U. 93-91 (1993), is \$724,469 (Exh. C-2, "ECS Calculation" at 2). The Company has also added \$15,000 in estimated direct expenses to the proposed FY 1994 budget (Exh. C-4, at 2³). In addition to the projected ECS program expenditures, the Company has reconciled undercollections and overcollections from prior fiscal years. The net effect of these reconciling items is an undercollection of approximately \$80,000 (id.). The result is a net amount projected to be collected in FY 1994 of \$820,561 (id.). The proposed ECS surcharge of \$0.22 per bill is calculated by dividing the total number of bills expected to be

³ According to the Company, these direct expenses include the cost of bill inserts which are required by 220 C.M.R. § 7.07 and the Company's portion of regulatory assessments under the ECS program (Exh. C-2, "Direct Testimony of Anthony J. Casella" at 5). Other MSI member utilities include these amounts at line 13 of the ECS surcharge calculation sheet.

rendered during FY 1994 by the net amount to be collected~~id~~.).

Pursuant to Department precedent, if the Company is overcollecting by ten percent or more at the end of the third quarter of FY 1994, it is required to file for adjustment or elimination of its surcharge. See Commonwealth Electric Company D.P.U. 92-114-B at 5 (1992).

III. FINDINGS

Based on the foregoing, the Department finds:

1. that the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1993 through June 30, 1994 shall be \$0.22 per bill per month; and

2. that the Company shall be required to file for an adjustment to its ECS surcharge in the event that it is overcollecting by more than ten percent at the end of the third quarter of FY 1994.

IV. ORDER

Accordingly, after due notice, hearing, and consideration, it is

ORDERED: That the ECS surcharge to be applied to Company bills during the fiscal year July 1, 1993 through June 30, 1994 shall be \$0.22 per bill per month; and it is

FURTHER ORDERED That the Company shall be required to file for an adjustment to its ECS surcharge in the event that it is overcollecting by more than ten percent at the end of the third quarter of FY 1994.

By Order of the Department,